**Burlington Hydro Inc.**

**2013 Electricity Distribution Rates**

**EB-2012-0110**

**Response to Board Staff Interrogatories**

**1. Rural Rate Protection Charge (”RRPC”)**

Ref: Rate Generator Model

A portion of Sheet “4. Current Tariff Schedule” from the Rate Generator Model is reproduced below.

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Board staff notes that the Board’s Decision (EB-2011-0405)1 dated December 21, 2011 stated that effective May 1, 2012 the Rural Rate Protection Charge would be reduced to $0.11/kWh from its previous value of $0.13/kWh.

If the value provided in the Rate Generator Model is an error, Board staff will make the relevant correction.

***Response:***

Burlington Hydro Inc. (“Burlington Hydro”) confirms that the Rural Rate Protection Charge was $0.0013/kWh until April 30, 2012; thereafter, it reduced to $0.0011/kWh. As noted by Board staff, there is an input error in the Rate Generator Model in that the rate until April 30, 2012 should have read $0.0013/kWh and therefore needs to be corrected. It would be appreciated if Board staff were to make the correction as offered.

**2. Recovery of Residual Historical Smart Meter Costs**

Ref: Rate Generator Model

A portion of Sheet “4. Current Tariff Schedule” from the Rate Generator Model is reproduced below.



Board staff notes that the “Effective until” date for the “Rate Rider for Recovery of Residual Historical Smart Meter Costs” for the Residential, General Service Less Than 50 kW and General Service 50 to 4,999 kW rate classifications are shown as March 31, 2013.

Board staff further notes that Burlington’s current tariff2 implemented on July 1, 2012 shows the “effective until” date as April 30, 2013.

a. If the input into the Rate Generator model is an error, Board staff will make the necessary correction.

***Response:***

The “Effective until” date for the Rate Rider for Recovery of Residual Historical Smart Meter Costs for the Residential, General Service Less Than 50 kW and General Service 50 to 4,999 kW rate classifications should have been April 30, 2013. Burlington Hydro would appreciate Board staff correcting this error.

By way of explanation: As was noted on page 9 of Burlington Hydro’s application, the March 31, 2013 date was chosen since the instructions on Sheet 4 of the model was that “ best matches” were to be chosen. The March date was chosen since the April date was not one of the options on the drop-down menu. Clearly, this rate rider should have been entered by Burlington Hydro as a completely new line in the model.

**3. Group 1 Accounts**

Ref: Rate Generator Model

A portion of Sheet “5. 2013 Continuity Schedule” from the Rate Generator Model is reproduced below.

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Table 2 from Burlington’s 2012 IRM Decision (EB-2011-0155)3 which identifies the principal and interest amounts approved for disposition, is reproduced below.

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Board staff notes that for each Group 1 Account, the total of the 2012 columns in the Rate Generator Model, i.e.:

* Principal Disposition during 2012 – instructed by Board; and
* Interest Disposition during 2012 – instructed by Board

reconciles with the Total Claim column in Table 2 above from the 2012 IRM Decision.

Board staff further notes that on an individual basis, the Principal and Interest columns in the former do not reconcile with their counterparts in the latter.

a. Please explain this discrepancy and update the evidence where required.

Board staff also notes that although the variance amounts for all Group 1 Accounts shown in the last column of the Rate Generator Model reference add to zero, there are

variances for each individual Group 1 Account.

b. Please explain the non-zero values of the variance amounts.

***Response:***

**a.** The Principal disposition amount of each Group 1 account shown in column “BZ” of the Rate Generator Model matches with the Principal balance amount shown in the column “BM” of the Model. However, the Principal disposition balance in Table 2 above includes a portion of interest which was extracted from it to show the correct total interest disposition amount in column CA of the Rate Generator Model.

These disposition amounts of both Principal and interest reconciles with the IRM 2012 Rate Generator Model. Please refer columns BR to BU.

**b.** The individual Group1 account balance in the Rate Generator Model is inclusive of carrying charges amount, i.e. both Principal + Interest. On the other hand the RRR balance of Wholesale Market Service, Retail Transmission Network Charges and Retail Transmission Connection Charges are the principal balance only. Therefore the variance column against these Group1 accounts are showing carrying charges balances only.

The above three Group 1 accounts carrying charges are pooled together in the RSVA – Power account, which is shown as one combined account balance in RRR reporting purposes that includes the sub account of Global Adjustment as well. This is further explained below in the numeric form for further clarity.

Burlington Hydro Inc. records all Group 1 accounts carrying charges in a separate General Ledger (GL) account. The total balance of carrying charges in this account as on December 31, 2011 was netted off from account 1588 RSVA – Power in RRR reporting. Because the Rate Generator Model compares its balances from RRR balance column therefore the RRR balances were not intentionally reclassified in the Rate Generator Model to maintain the consistency of the earlier reporting.

The RRR balance of $ 30,480 as on December 31, 2011 is arrived as follows:

|  |  |
| --- | --- |
| Closing Principal of RSVA – Power ( Pl see column BT) | (3,085,462) |
| Closing Principal of RSVA – Sub Account G.A ( Pl see column BT) |  2,946,341 |
| Closing Interest of RSVA – Power (Pl see column BY) |  196,913 |
| Closing Interest of RSVA – Sub Account G.A ( Pl see column BY) |  (14,044) |
| Sum of Wholesale, Network and Connection carrying charges(Pl see column CH) |  (13,265)  |
| RRR balance  |  (30,483) |

We hope the above explains the reason of variances of Group 1 accounts.

**4. Rate Rider for Deferral/Variance Account Disposition (2013)**

Ref: Rate Generator Model

A portion of Sheet “11. Proposed Rates” from the Rate Generator Model is reproduced below.

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Board staff notes a Rate Rider for Deferral/Variance Account Disposition (2013) of $/kW (0.0001) for the General Service 50 to 4,999 kW and Street Lighting service classifications in the proposed tariff.

Board staff is unable to find the trail to support this rate rider.

a. If the input into the Rate Generator model is an error, Board staff will make the necessary correction.

***Response:***

This is an error and needs to be corrected. Burlington Hydro would appreciate Board staff making the correction as offered.

Examination of this situation has shown that the $(0.0001)/kWh value was not in the original Excel 2010 version of the model as prepared by Burlington Hydro. The error was evidently introduced when the model was converted by Burlington Hydro to Excel 97 - 2003 for electronic filing to the Board and the error remained undetected. Apparently some versions of Microsoft Excel round down while others round up in certain circumstances.

**5. Non-Loss Adjusted Metered Billed kWh and kW**

Ref: RTSR Model

A portion of Sheet “4. RRR Data” from the RTSR Model is reproduced below.

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**a.** Please confirm that the amounts entered into the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Burlington’s Board-approved loss factor

***Response:***

Burlington Hydro confirmsthat the amounts entered into the RTSR Model in the columns “Non-Loss Adjusted Metered kWh” and “Non-Loss Adjusted Metered kW” have not been adjusted by Burlington’s Board-approved loss factor.